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1 Annette W. Jarvis, Utah Bar No. 1649

2 Steven C. Strong, Utah Bar No. 6340

3 RAY QUINNEY & NEBEKER P.C.

36 South State Street, Suite 1400

P.O. Box 45385

4 Salt Lake City, Utah 84145-0385

Telephone: (801) 532-1500

5 Facsimile: (801) 532-7543

Email: ajarvis@rqn.com

6 -and-

7 Lenard E. Schwartz, Nevada Bar No. 0399

Jeanette E. McPherson, Nevada Bar No. 5423

8 Jason Imes, Nevada Bar No.

SCHWARTZER & MCPHERSON LAW FIRM

9 2850 South Jones Boulevard, Suite 1

Las Vegas, Nevada 89146-5308

10 Telephone: (702) 228-7590

Facsimile: (702) 892-0122

11 E-Mail: bkfilings@s-mlaw.com

12 Attorneys for Plaintiff, USA Commercial Mortgage Company

13 UNITED STATES BANKRUPTCY COURT

14 DISTRICT OF NEVADA

15 In re:

16 USA COMMERCIAL MORTGAGE COMPANY,

Debtor.

17 In re:

18 USA CAPITAL REALTY ADVISORS, LLC,

Debtor.

19 In re:

20 USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC,

Debtor.

21 In re:

22 USA CAPITAL FIRST TRUST DEED FUND, LLC,

Debtor.

23 In re:

24 USA SECURITIES, LLC,

Debtor.

25 Affects:

26 ☐ All Debtors27 ☒ USA Commercial Mortgage Company28 ☐ USA Securities, LLC☐ USA Capital Realty Advisors, LLC☐ USA Capital Diversified Trust Deed Fund, LLC☐ USA First Trust Deed Fund, LLC

Case No. BK-S-06-10725 LBR

Case No. BK-S-06-10726 LBR

Case No. BK-S-06-10727 LBR

Case No. BK-S-06-10728 LBR

Case No. BK-S-06-10729 LBR

Chapter 11

Jointly Administered Under
Case No. BK-S-06-10725 LBR

Adversary No. 06-01251

AMENDED COMPLAINT UNDER 11
U.S.C. §§ 544, 548, AND 550 AND NRS
112.180

Date: March 1, 2007

Time: 9:30 a.m.

SCHWARTZER & MCPHERSON LAW FIRM

2850 South Jones Boulevard, Suite 1

Las Vegas, Nevada 89146-5308

Tel: (702) 228-7590 • Fax: (702) 892-0122

<p>USA COMMERCIAL MORTGAGE COMPANY,</p> <p>Plaintiff,</p> <p>vs.</p> <p>SALVATORE J. REALE, INDIVIDUALLY and as TRUSTEE OF THE SALVATORE J. REALE REVOCABLE TRUST,</p> <p>Defendant.</p>
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Plaintiff, USA Commercial Mortgage Company ("USACM"), hereby complains as follows:

JURISDICTION

1. This Court has jurisdiction pursuant to 28 U.S.C. §§ 1334 and 157 and 11 U.S.C. §§ 544, 548, and 550, and Nevada Revised Statute ("NRS") 112.180.
2. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (H), and (O).
3. This is an adversary proceeding pursuant to Fed.R.Bankr.P. 7001.
4. This court has venue over this proceeding pursuant to 28 U.S.C. § 1409(a).

GENERAL ALLEGATIONS

5. During the period of January 31, 2003 through March, 2006, USACM made numerous transfers from the collection trust account to Salvatore J. Reale and/or Salvatore Reale, as Trustee of the Salvatore J. Reale Revocable Trust ("Reale"), as set forth below:

<u>Transfer</u>	<u>Date</u>	<u>Dollar Transfer Amount</u>
1	1/31/2003	107,575
2	3/03/2003	97,261
3	3/31/2003	107,682
4	4/30/2003	104,208
5	5/30/2003	108,995
6	6/30/2003	105,479
7	7/30/2003	110,308
8	8/29/2003	112,278
9	9/29/2003	129,900
10	10/30/2003	141,825
11	11/26/2003	139,220
12	12/30/2003	143,795

1	13	1/30/2004	145,680
	14	1/30/2004	2,626
2	15	2/27/2004	138,817
	16	3/31/2004	148,391
3	17	4/29/2004	345,426
	18	5/28/2004	148,391
4	19	6/30/2004	145,510
	20	7/29/2004	152,331
	21	8/30/2004	153,644
6	22	9/30/2004	152,373
	23	10/29/2004	161,788
7	24	11/30/2004	156,927
	25	12/30/2004	161,523
	26	1/31/2005	162,074
9	27	3/01/2005	149,153
	28	4/06/2005	168,089
10	29	4/25/2005	163,376
	30	5/31/2005	169,402
11	31	6/30/2005	166,797
	32	7/28/2005	174,655
12	33	8/31/2005	176,953
	34	9/29/2005	173,469
13	35	10/28/2005	180,119
	36	11/30/2005	172,833
14	37	12/29/2005	178,594
	38	1/31/2006	181,221
15	39	2/28/2006	163,683
	40	3/30/2006	149,026

18 (each individually referred to as Transfer 1 through Transfer 40).

19 6. On March 8, 2006, USACM transferred the sum of Six Million Dollars
20 (\$6,000,000.00) to the bank account of USA Investment Partners LLC ("Investment Partners").

21 7. The transfer of the \$6,000,000.00 to the Investment Partners' bank account caused
22 the Investment Partners' bank account to increase from \$39,944.12 to \$6,039,944.12.

23 8. On March 13, 2006, USACM transferred the sum of Two Million Eight Hundred
24 Thousand Dollars (\$2,800,000.00) to the bank account of Investment Partners.

25 9. After the deposit of the \$2,800,000 into the bank account for Investment Partners
26 on March 13, 2006, the Investment Partners' bank account was in the amount of \$6,475,151.45.

27 10. On March 13, 2006, Investment Partners transferred the sum of Four Million
28 Dollars (\$4,000,000.00) ("Transfer 41") from its bank account to Reale.

1 11. Upon information and belief, Transfer 1 through Transfer 41 (collectively, the
2 “Transfers”) were not made for payment of an obligation owed by USACM.

3 12. Upon information and belief, the Transfers were made for payment on a promissory
4 note executed solely by Joseph D. Milanowski (“Milanowski”) and Tom Hantges (“Hantges”) in
5 favor of Reale or Salvatore Reale, Trustee of the Salvatore J. Reale Revocable Trust (the “Reale
6 Note”).

7 13. Investment Partners is a limited liability company that is owned and controlled by
8 Milanowski and Hantges (or family trusts controlled by them).

9 14. Upon information and belief, at all relevant times, USACM has been a creditor of
10 Investment Partners.

11 15. Upon information and belief, USACM was not financially obligated to Reale under
12 the Reale Note.

13 16. USACM (the “Debtor”) filed for relief under Chapter 11 of the Bankruptcy Code
14 on April 13, 2006 (the “Petition Date”).

15 **FIRST CAUSE OF ACTION**

16 **(11 U.S.C. § 548(a)(1)(A))**

17 17. The Debtor repeats and reavers allegations 1 through 16 as if fully set forth herein.

18 18. The Transfers were of an interest of the Debtor in property.

19 19. Transfers 17 through 41 were made within two years of the Petition Date.

20 20. Transfers 17 through 41 were made with the intent to hinder, delay, or defraud
21 entities to which the Debtor was or became indebted to on or after the date these transfers were
22 made.

23 **SECOND CAUSE OF ACTION**

24 **(11 U.S.C. § 548(a)(1)(B))**

25 21. The Debtor repeats and reavers allegations 1 through 20 as if fully set forth herein.

26 22. Transfers 17 through 41 were of an interest of the Debtor in property.

27 23. Transfers 17 through 41 were made within two years of the Petition Date.

28 24. The Debtor received less than a reasonably equivalent value in exchange for

1 Transfers 17 through 41 because these transfers were made to satisfy obligations not owed by the
2 Debtor.

3 25. The Debtor was insolvent on the date Transfers 17 through 41 were made or
4 became insolvent as a result of these transfers.

5 26. As a result of Transfers 17 through 41, the Debtor was engaged in business or a
6 transaction or was about to engage in business or a transaction for which any property remaining
7 with the Debtor was unreasonably small capital.

8 27. As a result of Transfers 17 through 41, the Debtor intended to incur or believed that
9 it would incur debts that would be beyond its ability to pay as such debts matured.

10 **THIRD CAUSE OF ACTION**

11 **(11 U.S.C. § 544 and NRS 112.180(1)(a))**

12 28. The Debtor repeats and reavers allegations 1 through 27 as if fully set forth herein.

13 29. The Transfers were of an interest of the Debtor in property.

14 30. This claim is being made within four years of the date the Transfers were made.

15 31. The Debtor made the Transfers with the actual intent to hinder, delay, or defraud
16 creditors of the Debtor.

17 **FOURTH CAUSE OF ACTION**

18 **(11 U.S.C. § 544 and NRS 112.180(1)(b))**

19 32. The Debtor repeats and reavers allegations 1 through 31 as if fully set forth herein.

20 33. The Transfers were of an interest of the Debtor in property.

21 34. This claim is being brought within four years of the date the Transfers were made.

22 35. The Debtor received less than a reasonably equivalent value in exchange for the
23 Transfers because the Transfers were made to satisfy obligations not owed by the Debtor.

24 36. The Debtor was engaged or was about to engage in a business or a transaction for
25 which the remaining assets of the Debtor were unreasonably small in relation to the business or
26 the transaction.

27 37. The Debtor was engaged in business or a transaction or was about to engage in
28 business or a transaction for which any property remaining with the Debtor was unreasonably

1 small capital.

2 38. The Debtor intended to incur or believed or reasonably should have believed that
3 he would incur, debts beyond his ability to pay as they became due.

4 **FIFTH CAUSE OF ACTION**

5 **(11 U.S.C. §§ 544, 548, and 550(a) and NRS 112.220)**

6 39. The Debtor repeats and reavers allegations 1 through 38 as if fully set forth herein.

7 40. Reale was the person for whose benefit all of the Transfers were made and was the
8 initial transferee of USACM, or immediate or subsequent transferee of Investment Partners.

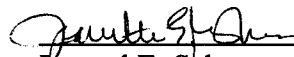
9 41. The Transfers are avoidable under 11 U.S.C. §§ 544 and 548 and therefore,
10 pursuant to § 550 and NRS 112.220, the Debtor may avoid and recover the Transfers from Reale.

11 WHEREFORE, USACM prays as follows:

12 1) For judgment in its favor and against Salvatore Reale in the sum of the Transfers plus
13 interest pursuant to 28 U.S.C. § 1961(a) and costs.

14 2) For such other relief that that this Court deems just and proper.

15 Dated: January 23, 2007

16 

17 Lenard E. Schwartz, Esq.

18 Jeanette E. McPherson, Esq.

19 Jason Imes, Esq.

20 Schwartz & McPherson Law Firm

21 2850 South Jones Boulevard, Suite 1

22 Las Vegas, NV 89146

23 -and-

24 Annette Jarvis, Utah Bar No. 1649

25 Steven C. Strong, Utah Bar No. 6340

26 RAY QUINNEY & NEBEKER P.C.

27 36 South State Street, Suite 1400

28 P.O. Box 45385

Salt Lake City, Utah 84145-0385

Attorneys for USA Commercial Mortgage Company